

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN ALLAN WALTERS**, on February 8, 2001 at 8:00 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Allan Walters, Chairman (R)
Rep. Debby Barrett, Vice Chairman (R)
Rep. Tom Dell, Vice Chairman (D)
Rep. Norma Bixby (D)
Rep. Dee Brown (R)
Rep. Donald L. Hedges (R)
Rep. Hal Jacobson (D)
Rep. Larry Jent (D)
Rep. Michelle Lee (D)
Rep. Larry Lehman (R)
Rep. Ralph Lenhart (D)
Rep. Gay Ann Masolo (R)
Rep. Alan Olson (R)
Rep. Holly Raser (D)
Rep. Rick Ripley (R)
Rep. Clarice Schrumpf (R)
Rep. Frank Smith (D)

Members Excused: Rep. Douglas Mood (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Ruthie Padilla, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 472, 2/2/2001; SB 235,
2/2/2001; SJR 5, 2/2/2001
Executive Action: SJR 5; HB 443; HB 239; SB 235

HEARING ON HB 472

Sponsor: REPRESENTATIVE ALLEN ROME, HD 56, GARRISON

Proponents: Tom Bilodeau, MEA-MFT
Marwan Saba, MT Federation of State Peace Officers
Art Garrison, MT Professional Correctional
Association
Tom Schneider, MT Public Employees Association

Opponents: Kelly Jenkins, Public Employees Retirement Board
Carol Lambert, Public Employees Retirement Board

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.7}

REPRESENTATIVE ALLEN ROME, HD 56, GARRISON said this is an act reopening the opportunity for a state public officer to transfer membership from the Public Employees' Retirement System to the Game Wardens' and Peace Officers' Retirement System. This bill is at the request of the correctional officers who work at Montana State Prison and would reopen the State Game Wardens' and Officers' Retirement System to all POST certified staff at the Montana State Prison to transfer over. In October of 1997, a window period was given to the staff for the option of moving into Game Wardens' and Peace Officers' System. There was confusion about the system and options, therefore, some state employees who could have benefitted from the system did not move into it. This would affect 18 individuals and the cost would be absorbed by the employees. The bill would also give them a 6-month period to opt into the system.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 5.1}

Tom Bilodeau, MEA-MFT stated they stand in strong support of this legislation. The bill particularly affects their membership at the Montana State Prison and their ability to make an effective election into the Game Wardens' and Peace Officers' fund. This same provision was allowed to peace officers in 1997 and during that time, many peace officers' were not fully aware of the option afforded to them. This bill is asking that another election window be opened to allow the 18 individuals to make the election into the pension fund which currently covers all the others. This would move everyone into full inclusion of one system and the impact on the fund in allowing this transfer would be a very small amount.

Marwan Saba, Montana Federation of State Peace Officers stated his is testifying on behalf of the membership and they are in support of the bill.

Art Garrison, Montana Professional Correctional Association, said they are in favor of the bill.

Opponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 11.7}

Kelly Jenkins, Montana Public Employees Retirement Board submitted written testimony. **EXHIBIT(sth32a01)** He also submitted and discussed information on Retirement System Coverage **EXHIBIT(sth32a02)** and Game Wardens and Peace Officers' Retirement System Election of Coverage. **EXHIBIT(sth32a03)**

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 25.7}

REPRESENTATIVE LEHMAN asked **Marwan Saba** how many years of service he currently has with the Department of Corrections. **Marwan Saba** replied he has 4 years of service and is a member of the Game Wardens' Retirement System. There are a lot of members in his union that are not members and clarified that the information passed out was not received by a lot of the employees and has a sheet of 90 employees' signatures who say they never received the information. **REPRESENTATIVE LEHMAN** than asked out of the 18 individuals wanting to make the transfer, are they all with the Department of Corrections. **Marwan Saba** stated yes.

REPRESENTATIVE LEHMAN asked how the information on the election to transfer system was sent out to Department of Correction employees. **Kelly Jenkins** replied that the information is disbursed through the Personnel Officers at the prisons. They also sent out an individual from the Member Services Bureau to speak to the employees. **REPRESENTATIVE LEHMAN** asked as individual employees, do they receive an individual notification. **Kelly Jenkins** stated no, at that time they had no individual addresses for employees. **REPRESENTATIVE LEHMAN** commented there was a possibility individuals did not receive the information as indicated by **Mr. Saba**. **Kelly Jenkins** said absolutely no system is perfect and if the window is reopened they will once again be sent the information.

REPRESENTATIVE HEDGES clarified they do not have a check-off list which states the individual employees received the information.

Kelly Jenkins replied that was correct. **REPRESENTATIVE HEDGES** then stated they do not know whether the individual elected to say yes, no, or maybe to transfer systems. **Kelly Jenkins** replied they do have a list of the people who said yes and of the people who said no. There were 41 individuals who sent in the election that said affirmatively no. Undoubtably, there were others because they estimated 400 individuals in the department who were eligible for the choice and only received a total of 200 election forms. **REPRESENTATIVE HEDGES** asked if there was any attempt made by the retirement office to contact those who had not responded to let them know that their window of opportunity was closing. **Kelly Jenkins** said they sent someone to speak directly to the employees, but did not have individual addresses for the employees to contact them.

REPRESENTATIVE RIPLEY asked of the list of the 90 employees' signatures he had, how many of those were the 18 people wishing to change systems. **Marwan Saba** stated all 18 of them are.

REPRESENTATIVE RIPLEY clarified that those 18 on the list are indicating they had never been notified that the system was good. **Marwan Saba** replied that was correct. **REPRESENTATIVE RIPLEY** stated the retirement board did not try and contact them individually and asked if anyone from their department tried to contract them individually. **Marwan Saba** said yes, they talked to the employees and a lady has spoken to the staff. The options that were offered and understood by the members was they could trade time for money or they could freeze their PERS and start with the Game Wardens' System. They were never offered time for time.

REPRESENTATIVE LEE and **Tom Bilodeau** reiterated the process of notification and discussed how the process could be done better.

REPRESENTATIVE RASER said for the last 4 years the 18 individuals have been contributing about 4% less out of each of their paychecks. If they transfer systems, who pays the difference.

Kelly Jenkins stated an individual who is currently in PERS and has 8 years of service has three choices in transferring over into the Game Wardens' System. One, they can leave it in PERS and become an inactive member of PERS and when they reach retirement age at 60 they would receive an unreduced benefit based on 8 years of service. Two, they can buy the full 8 years into the Game Wardens' Retirement System. The employee will pay the difference of what is on account for them in PERS and the full actuarial cost in the Game Wardens' Retirement System. Third, they can take their 8 years in PERS and expect a reduced

amount of time in the Game Wardens' System. If they have 8 years in PERS it will not be worth 8 years in Game Wardens'. They would compare the actuarial value of PERS and of Game Wardens' and 8 years in PERS might translate to 5 years in the Game Wardens' Retirement System without any out-of-pocket cost.

REPRESENTATIVE RASER then asked to ensure the legislature won't be back hearing the same bill for the remainder of the 75 employees, what safeguard will be taken to make sure this is it and the other 57 will not be back next session asking for the same thing. **Kelly Jenkins** replied in this instance they can try to identify the individuals and directly contact them. He cannot guarantee there will not be individuals back in another couple of years asking for the same thing.

REPRESENTATIVE RASER asked if there is something their union can do to ensure these employees will not be coming back to the legislature in a few years. **Marwan Saba** said yes he could. He works at the prison and every piece of information that is distributed to him is distributed to everybody. He makes each person sign the paper saying they received it.

REPRESENTATIVE OLSON asked since MFT was representing the employees of the Department of Corrections, did MFT do anything to discuss this with their memberships at that time. **Tom Bilodeau** replied he has been on the MEA staff since 1984 and their merger only took affect over the course of the last year. Until the last 18 months he has very little working knowledge of what happened within the MFT.

REPRESENTATIVE BROWN asked for some information on the 18 individuals who would most be effected by the bill. **Marwan Saba** replied some of the officers have been there 5 years and some 10 years. It is different years of service of each person.

REPRESENTATIVE SMITH asked how the figure of 18 out of 75 employees would be considering the transfer of system. **Marwan Saba** replied the figure came from the budget office.

REPRESENTATIVE SMITH asked if 20 or 22 individuals decide to transfer systems instead of only 18, would it make a difference in anything. **Kelly Jenkins** replied the 18 was an estimate from his office and was based on historical patterns. They figure 1/4 of the individuals would choose to transfer over. The cost is estimated at about \$500.00 per year for the career of each employee who moves over into the Game Wardens' Retirement System out of the general budget. For 18 employees it would be \$9,000.00 and for 20 employees it would be \$10,000.00 each year forward for the rest of their career.

Closing by Sponsor:***{Tape : 2; Side : A; Approx. Time Counter : 4.6}***

REPRESENTATIVE ROME said he has lived in Deer Lodge most of his life and knows most of these people real well and most of the individuals asking for this program are the older prison guards. They just want the opportunity for a little better retirement. It would give them a little more incentive to stay employed a little longer.

HEARING ON SB 235

Sponsor: SENATOR VICKI COCCHIARELLA, SD 32, MISSOULA

Proponents: Kelly Jenkins, MT Public Employees' Retirement Board
Tom Schneider, MT Public Employees Association
Tom Bilodeau, MEA-MFT
Troy McGee, Montana Association of Chief of Police
Kathy McGowan, MT Sheriff and Piece Officers Association
Jim Oberhoffer, Citizen
Pat Clinch, MT Association of Professional Firefighters
Mark Taylor, AMHP
Carol Lambert, MT Public Employees Retirement Board

Opponents: None

Opening Statement by Sponsor:***{Tape : 2; Side : A; Approx. Time Counter : 6.1}***

SENATOR VICKI COCCHIARELLA, SD 32, MISSOULA stated as the GABA was passed this bill would bring about a fix of the situation for all the retirement systems except for Teachers Retirement System. If a state agency chose to hire a retired teacher, they could still continue to receive the GABA on their TRS. Anyone else who retired from any other system in the state would not be allowed to get the GABA if they went to work for another system. This bill would make it the same as TRS is now and there would be no impact to the system. It would allow anyone who goes to work for another system and is receiving retirement benefits to be entitled to the GABA adjustment after three years.

Proponents' Testimony:

{Tape : 2; Side : A; Approx. Time Counter : 9.2}

Kelly Jenkins, Montana Public Employees Retirement Board said this bill has no actuarial cost to the system because the actuarial cost has already been calculated at the time with the original GABA. The bill is simply a policy matter for the committee to consider.

Tom Schneider, Montana Public Employees Association submitted written testimony. **EXHIBIT(sth32a04)**

Tom Bilodeau, MEA-MFT stated this bill is the fair thing to do with about 100 employees currently excluded from GABA benefits from returning to work in a PERS covered system.

Troy McGee, Montana Association of Chief of Police submitted written testimony. **EXHIBIT(sth32a05)**

Kathy McGowan, Montana Sheriff and Piece Officers Association commented that she feels the same all the other proponents and is in support of the bill.

Jim Oberhoffer, Citizen said he was formerly a police officer for the City of Missoula and retired after 26 years as the chief of police. He currently works for the Montana Board of Crime Control and teaches at the academy. He does not receive a GABA increase because of the GABA bill.

Pat Clinch, Montana Association of Professional Firefighters stated when the GABA bill first came around, all their members had to make an election to take the GABA benefits or stay under their current provisions for their retirement benefits. In order to pay for the GABA benefits they had to trade options. One of the options was to give up the minimum retirement allowance. If a member retires and goes to work for a State Fire Prevention Office, he would not be entitled to receive his GABA benefit. He has lost a benefit in order to receive a benefit.

Questions from Committee Members and Responses:

None

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 19}

REPRESENTATIVE COCCHIARELLA closes on SB 235.

HEARING ON SJR 5

Sponsor: SENATOR GLENN ROUSH, SD 43, CUT BANK

Proponents: Jim Jacobsen, Montana Veteran Affairs
Administration
Mike Hankins, Chapter 626-A, the Association of
Associates of the Vietnam Veterans
of America
Hal Manson, American Legion of Montana
Dan Antonietti, Veteran of Foreign Wars of the
United States
Mike Secrease, Vietnam Veterans
Lee Smith, Persian Golf Veteran

Opponents: None

Opening Statement by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 19.7}

SENATOR GLENN ROUSH, SD 43, CUT BANK stated this bill was requested by the State Administration Public Retirement and Veteran Affairs interim committee and from the subcommittee of Military and Veterans' Affairs. The resolution deals with veteran issues. He feels it is very important to consider what the veterans have done for Montana and what they have sacrificed for the nation so we can enjoy the freedom we have today. All the resolution asks for is a continuing legislative study on certain veterans issues. There are close to 100,000 veterans still living in Montana and many of them are eligible for federal benefits. There are a lot of concerns of veterans services and services provided. Veterans are seeking help for their illnesses and a lot of those services are not accessible to the veterans.

Proponents' Testimony:

{Tape : 2; Side : A; Approx. Time Counter : 28.5}

Jim Jacobsen, Montana Veteran Affairs Administration said they have had some great successes over the past interim and is in support of continuing the study and feels it is very important.

Mike Hankins, Chapter 626-A, the Association of Associates of the Vietnam Veterans of America said he was asked by the Department of Military Affairs to give a background as to why they need this

bill. This is basically a federal issue. The Feds fund all of the activities and wants and needs of the veterans of the United States. Many of these wants and needs have been overlooked. They have a failing in their mental health system and a number of homeless veterans who live in the hills. In the six years of dealing with veterans issues he sees despair, discouragement and a group of people who are a minority and feel disfranchised. This bill can do a great deal to bring about the correction of the problems that exist for the veterans of this state today. They desperately need this piece of legislation.

Hal Manson, American Legion of Montana stated they have a very strong lobbyist organization that works with the Congress, however working with Congress is not always the solution. Sometimes they feel the need of home roots input to get them to listen. This bill would greatly help get things moving at the top as well from the bottom.

Dan Antonietti, Veteran of Foreign Wars of the United States said on behalf of the more than 10,000 members of their Montana organization, they request the committee's support.

Mike Secrease, Vietnam Veteran said he deals with veterans on a one-on-one basis at Fort Harrison to help them with their benefits and health care needs and runs into a lot of horror stories every week. He pledges their support to the bill.

Lee Smith, Persian Gulf Veteran said he seriously asks for the support of the bill so that future generations will not have to go through what they have and so the homeless situation can improve.

Questions from Committee Members and Responses:

{Tape : 2; Side : B; Approx. Time Counter : 10.4}

REPRESENTATIVE MASOLO asked the committee members to stand and give the veterans a big hand to show their appreciation of them.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 11.4}

SENATOR ROUSH said he would benefit from this bill as well as all the veterans. This is not a male bill, it is an equal rights bill because there are women who serve in the military as well.

EXECUTIVE ACTION ON SJR 5

{Tape : 2; Side : B; Approx. Time Counter : 12.2}

Motion/Vote: REP. MASOLO moved that SJR 5 BE CONCURRED IN. Motion carried unanimously. 18-0

EXECUTIVE ACTION ON HB 443

{Tape : 2; Side : B; Approx. Time Counter : 13.5}

Motion: REP. OLSON moved that HB 443 DO PASS.

Motion/Vote: REP. BROWN moved that HB 443 BE AMENDED.
EXHIBIT(sth32a06) Motion carried unanimously. 18-0

Motion: REP. HEDGES moved that HB 443 DO PASS AS AMENDED.

Substitute Motion: REP. JENT made a substitute motion that HB 443 BE AMENDED. **EXHIBIT**(sth32a07) Motion carried unanimously. 18-0

Motion: REP. MASOLO moved that HB 443 BE AMENDED.
EXHIBIT(sth32a08)

Discussion:

REPRESENTATIVE MASOLO said she would like to leave the fees the way they are. If they have to travel they can charge travel time and if they need to charge more they can. She feels it should be left up to the individual.

REPRESENTATIVE RASER asked if this amendment passes, would it be striking the whole entire section addressing the fees.

REPRESENTATIVE JENT replied that was correct.

REPRESENTATIVE OLSON asked if they took out the cost for mileage would they still be able to charge mileage since it would not be listed on the bill. **REPRESENTATIVE MASOLO** replied they are currently doing it now if they have to travel they charge mileage. **SHERI HEFFELFINGER** clarified it was her understanding that they would only be able to charge what is maximum in the statute now and if it covered their expenses it did and if it didn't then it didn't. That is why the dollar fees were a concern.

REPRESENTATIVE JENT said he does not have a problem with the notaries charging \$5.00 to notarize something because of the liability and bond expense.

REPRESENTATIVE RIPLEY stated if they strike section 9, it would be taking away the benefit of the notary to charge mileage.

REPRESENTATIVE MASOLO said it was her understanding they could charge mileage if they needed to and does not feel there should be a maximum dollar amount set on it. The individual should decide on the fee of mileage and to notarize.

REPRESENTATIVE LEE asked if they strike section 9, would they get into a law suit because individuals are charging different rates.

REPRESENTATIVE MASOLO replied that is the way it is being done now. Some charge and some don't.

REPRESENTATIVE DELL stated if it's not broke, don't fix it. He does not feel notaries notarize to make money. The notaries he knows do not charge. Most people do it as a service they provide, not as a money making thing. He will not vote for the bill unless this section comes out.

REPRESENTATIVE OLSON feels they need to have the mileage wording in the bill. They don't have to charge for mileage, but they need to have the option to if needed.

REPRESENTATIVE HEDGES said he is going to oppose the amendment to reduce the cost.

REPRESENTATIVE RIPLEY said these are the maximum fees and does not mean they need to charge at all, but would still be entitled to mileage. He is going to oppose the amendment.

Motion/Vote: REP. MASOLO moved that **HB 443 BE AMENDED**. Motion failed 3-15 with Dell, Lenhart, and Masolo voting aye.

Motion/Vote: REP. HEDGES moved that **HB 443 DO PASS AS AMENDED**. Motion carried 16-2 with Dell and Masolo voting no.

EXECUTIVE ACTION ON HB 239

{Tape : 3; Side : A; Approx. Time Counter : 10.3}

Motion: REP. RIPLEY moved that **HB 239 DO PASS**.

Motion: REP. RIPLEY moved that HB 239 BE AMENDED.
EXHIBIT(sth32a09)

Discussion:

Sherif Heffelfinger explained the purpose of the amendment with the committee members. She said it simply clarifies some of the language in the bill.

Motion/Vote: REP. RIPLEY moved that HB 239 BE AMENDED. Motion carried unanimously. 18-0

Motion/Vote: REP. MASOLO moved that HB 239 DO PASS AS AMENDED. Motion carried unanimously. 18-0

EXECUTIVE ACTION ON SB 235

{Tape : 3; Side : A; Approx. Time Counter : 22.6}

Motion/Vote: REP. RASER moved that SB 235 BE CONCURRED IN. Motion carried unanimously. 18-0

ADJOURNMENT

Adjournment: 10:40 A.M.

REP. ALLAN WALTERS, Chairman

RUTHIE PADILLA, Secretary

AW/RP

EXHIBIT (sth32aad)